

Indiana House of Representatives

News and Information

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BAUER: GOP BUDGETS AREN'T BALANCED, BUT THEY DO RAISE TAXES

INDIANAPOLIS – If lawmakers pass either of the state budget proposals now before the Indiana General Assembly, Hoosiers will see higher property and income taxes and cuts in school funding that will hinder the ability of children to receive a quality education, according to House Democrat Leader B. Patrick Bauer (D-South Bend).

"In the radio ads he has airing across the state, Gov. Mitch Daniels is asking the people of Indiana to join him in supporting an honestly balanced budget," Bauer said today. "The governor and the people of Indiana cannot be pleased with what they are seeing from the House and Senate Republicans, because their budgets are not honest and they certainly are not balanced."

As has been the case throughout the entire 2005 session, Bauer said the budgets contained in the House and Senate Republican versions of House Bill 1001 fail in three major areas: cutting education funding, raising local property taxes, and inadequately funding health care for the elderly, disabled and children.

"By providing only minor increases in state support for a select few school corporations and refusing to include a minimum funding guarantee for all schools, the Republican budgets will force local officials into making unpalatable choices between cutting programs and personnel or raising local property taxes," Bauer said. "An estimated 6,000 teachers across Indiana will lose their jobs if either of these budgets becomes law."

In addition to shorting local schools on state support, Bauer said both budgets fail to fully fund school transportation and textbook reimbursements. Those moves will help substantially increase local property taxes.

"When you add the shortfalls in education funding to the Republican decision to place a cap on Property Tax Replacement Credits (PTRC) and advocate passage of legislation (Senate Bill 496) which undoes a major share of the property tax relief enacted by the Legislature in 2004, the House and Senate Republicans are supporting financial plans that will increase local property taxes by as much as \$643 million," Bauer said.

Bauer said House Democrats also are concerned the Republican budgets do not provide adequate funding for Medicaid, the federal program that provides health care for the elderly, disabled and children.

"Medicaid officials requested a 10 percent increase in funding to meet anticipated costs, but the governor and the Senate Republicans have budgeted a 5 percent increase and the House Republicans only a 3 percent increase," Bauer said. "Since Medicaid is a federally-mandated program, the state will be responsible for paying the entire bill if we do have a 10 percent increase in payments. Since the Republicans do not realize that reality, they cannot claim their budgets are balanced in any way, shape or form.

"It is not honest to tell the people of Indiana that you're passing a responsible budget when you're forcing residents to pay increased property taxes, and asking schools to cut programs and lay off teachers," he continued. "If the House and Senate Republicans continue down this path, they will be selling Hoosiers a bill of goods. I cannot see how anyone, including our governor, can think these budgets represent progress for Indiana."

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